

GREG BELL Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

Representativ	es Present During the Inspection:
Company	Dan Guy
OGM	Pete Hess

Inspection Report

Permit Number:	C0070022
Inspection Type:	PARTIAL
Inspection Date:	Monday, August 30, 2010
Start Date/Time:	8/30/2010 12:55:00 PM
End Date/Time:	8/30/2010 12:40:00 PM
Last Inspection:	Wednesday, July 28, 2010

Inspector: Pete Hess.

Weather: Cloudy, cool; 70's F. InspectionID Report Number: 2474

Accepted by: dhaddock

9/15/2010

Permitee: SAVAGE SERVICES CORP Operator: SAVAGE SERVICES CORP Site: SAVAGE COAL TERMINAL

Address: 6340 S 3000 E STE 600, SALT LAKE CITY UT 84121

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages	Mineral Ownership	Types of Operations		
153.46 Total Permitted	☐ Federal	✓ Underground		

100.70	rotar i erimitted
132.50	Total Disturbed
	Phase I
	Phase II
	Phase III

☐ Federal	Underground
☐ State	✓ Surface
☐ County	✓ Loadout
☐ Fee	Processing
✓ Other	Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee is current relative to the Special condition of the State permit, which is to submit quarterly water monitoring data in an electronic fashion. Second quarter data for 2010 has been inserted into the EDI pipeline and it is ready for uploading.

Inspector's Signature:

Date

Tuesday, Augu

Pete Hess,

Inspector ID Number: 46

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcemen
1.	Permits, Change, Transfer, Renewal, Sale				
2.	Signs and Markers	V			
3.	Topsoil	✓			
4.a	Hydrologic Balance: Diversions	✓			
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	✓		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures	V			
4.d	Hydrologic Balance: Water Monitoring				
4.e	Hydrologic Balance: Effluent Limitations	V		✓	
5.	Explosives		V		
6.	Disposal of Excess Spoil, Fills, Benches		V		
7.	Coal Mine Waste, Refuse Piles, Impoundments	✓		✓	
8.	Noncoal Waste	✓		✓	
9.	Protection of Fish, Wildlife and Related Environmental Issues	V		V	
10.	Slides and Other Damage		✓		
11.	Contemporaneous Reclamation				
12.	Backfilling And Grading				
13.	Revegetation				
14.	Subsidence Control		✓		
15.	Cessation of Operations		✓		
16.a	Roads: Construction, Maintenance, Surfacing				
16.b	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations	V		Y	
19.	AVS Check				
20.	Air Quality Permit	✓		V	
21.	Bonding and Insurance				
22.	Other				

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4.b Hydrologic Balance: Sediment Ponds and Impoundments

Slurry cell #1 has been cleaned and the material has been placed on the SE side of this impoundment to dry. P.E. re-certification of this impoundment is pending.

4.e Hydrologic Balance: Effluent Limitations

UPDES outfall 001A (pond 6 open channel spillway) was not flowing this day.

7. Coal Mine Waste, Refuse Piles, Impoundments

The Permittee continues to ship the material in the coal waste pile to Sunnyside Cogeneration Associates. Regrading occurs after high banks are achieved from the loading process in order to provide positive runoff and for reasons of safety. All drainage controls are in place, and are functioning as designed. There was no water impounded on the pile. Combustion was not obvious; noncoal waste was not visible. The MSHA identification sign is in place at the crest of the access road.

8. Noncoal Waste

The Permittee continues work in the equipment storage area adjacent to pond 6. It is estimated that in excess of 90% of the material and equipment which was once stored here is now gone.

9. Protection of Fish, Wildlife and Related Environmental Issues

The Permittee has removed several tamarisk trees from the ponds 1/2/3 area. Tamarisk is a State wide noxious weed.

18. Support Facilities, Utility Installations

The Permittee has initiated the construction of the Office Building Expansion. As observed this day, the concrete floor has been poured, and the erection of the steel building frame work was beginning. The interior of the original building is also being redone, which includes a new floor plan for more offices.

20. Air Quality Permit

High velocity winds were affecting the permit area this day. The operational haul roads had recently been watered.